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SECURITY INFORMATION

53817

CENTRAL INTELLIGENCE AGENCY

7 December 1951

SC-20

SUBJECT: DRAFT: THE CONSEQUENCES OF CERTAIN US COURSES OF ACTION
WITH RESPECT TO COMMUNIST CHINA AND KOREA
(for Board consideration)

THE PROBLEM

To estimate (1) the effect on Communist China of certain US courses of action, and (a) the Communist reaction to these courses of action.*

CONCLUSIONS

1. If Communist China were cut off from its seaborne imports, it would experience serious economic strains and shortages of some items for its armed forces, but the regime's military power and its ability to maintain control would not be shaken, at least in the near future. To cut off these imports would require a UN naval blockade together with an embargo on exports and shipping. The Chinese Communists probably would attempt to counter a blockade with air attacks and

* The question of whether the UN would support the US in these courses of action is beyond the scope of this paper.

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mine warfare against the blockading ships. The USSR would probably respect the blockade of at least all ports except Port Arthus and Dairen.

2. The Chinese Communist potential for military operations in Korea would be seriously impaired by a major UN offensive in Korea together with successful air attacks, particularly atomic air attacks, on targets in North Korea and Manchuria. Although the Communists might seek an early armistice in response to this pressure, it is more likely that they would increase their ground and air operations against UN forces with Soviet assistance up to, but not including, the commitment of Soviet ground forces. If, despite these efforts, it appeared that the Communists were faced with defeat, we believe that the chances are somewhat better than even that the Communists would seek an armistice rather than undertake any course of action which would commit Soviet forces against UN forces in UN territory.

3. A successful strategic bombardment of Communist China would seriously reduce Chinese Communist military power, create chaos in the Chinese Communist economy, and strain seriously the Chinese Communist economy, capability to retain administrative control of the country. To counter this threat the Chinese Communists would bring to bear their maximum air defense capability. The USSR would probably bolster Chinese air defenses by committing air units without delay. If Communist control of North China and Manchuria were endangered, the USSR probably would expand its aid, even to the extent that a de facto US-USSR war would exist.

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4. The Nationalist military potential and the anti-Communist guerrilla potential for action against Communist China can only be realized after a major US logistic and training program has been fully implemented. After these forces become effective (which could possibly occur during 1953 if the US undertook an expounded aid program without delay) they could be employed in an invasion of Communist China, provided the US furnished substantial operational air and naval support in addition to logistic support for the invasion forces. An invasion of the mainland supported operationally by the US would probably be construed by Peiping and Moscow as an indication of US determination to destroy the Chinese Communist regime. Moscow would aid Communist China to the maximum extent short of committing its forces openly. If, moreover, North China and Manchuria were seriously threatened, the USSR would do whatever was required to uphold the regime including the open commitment of Soviet forces against UN forces.

5. The Chinese Communists would probably be most vulnerable to an intensification of the Korean war together with air attacks against Manchuria and China proper and a cessation of seaborne imports. If the Chinese Nationalist Forces and anti-Communist guerrillas should realize their potential capabilities, and if in combination with the courses of action discussed above, they should be used against the mainland with US operational support, a critical threat to the stability of the Communist regime would develop. Only in the event that Moscow believed that Soviet security interests in the Far East were threatened would the USSR be

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likely to take drastic measures; in that event the USSR probably would do whatever was required to uphold Communist control of northern Korea and of Manchuria and North China, regardless of the risk involved and including, as a last resort, the open commitment of Soviet forces against US forces.

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I.
Suggested
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A. Methods Necessary to bring about such denial

B. Effects of such denial - 1

C. C. Reaction 5-7

DISCUSSION

I. THE CONSEQUENCES OF UN ATTEMPTS TO DENY COMMUNIST CHINA SEABORNE IMPORTS

A. Effects of This General Course of Action

1. The economy of Communist China depends in large measure on seaborne imports for such strategic items as POL, pharmaceuticals, trucks, machine tools, and replacement parts. If these imports were cut off, it is doubtful if they could be supplied in the volume required by Communist China's economy over the already strained facilities of overland transportation routes into China. Although ^{here} a complete cutting off of Communist China's seaborne imports would produce serious economic strains on the mainland and would reduce the availability of some items required to support the armed forces, ^{However,} Communist China's military power and the ability of the Communist regime to maintain itself in power would not be shaken, at least in the near future.

2. A UN embargo on all exports to Communist China would be of limited effectiveness by itself because: (a) there would be a sufficient number of non-cooperating countries to maintain a continued flow of exports to China; (b) goods sent in normal trade by cooperating countries to non-cooperating countries could be transhipped to China; and (c) the premium which Communist China would pay for vital materials would stimulate evasion of the embargo in all countries.

If exports were permitted to Port Arthur and Dairen on the premise that they were Soviet ports, this would leave another important loophole.

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Finally, unless exports from Hong Kong and Macao were prohibited, the purpose of the embargo would be largely nullified.

3. An embargo on shipping to Communist China would be somewhat more effective than an embargo on exports. Regardless of where seaborne exports to Communist China originate, the bulk of these exports are carried by non-Communist registered shipping. Furthermore, the distribution of goods within China depends heavily on coastal shipping by foreign flag vessels which would be withdrawn by an effective embargo. A shipping embargo would not be effective, however, unless it were combined with restrictions on the sale or charter of merchant ships to Soviet Bloc and other non-cooperating countries, together with effective movement regulations such as refusal of clearance, blacklisting, and other world-wide pressures. Although such an embargo could be overcome partially by the employment of more Communist ships in the China trade, the consequent dislocation of Soviet-bloc shipping might pose serious economic problems for the Soviet bloc.

4. A naval blockade of Communist China would produce more immediate results in cutting off seaborne exports to Communist China than any other trade control measure. However, unless the naval blockade were preceded or at least accompanied by an embargo on exports and shipping, it would create many difficult problems in its enforcement. If Port Arthur and Dairen were not blockaded, a substantial loophole would exist. However, distribution of goods from these ports to China proper would be difficult as a consequence of the blockade on coastal shipping.

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B. Communist Reactions

5. The Chinese Communists would probably react to an export and shipping embargo by attempting to increase imports from Soviet-bloc and other non-cooperating countries and by increasing smuggling from all countries.

6. In the event of a naval blockade, the Chinese Communists probably would attempt to counter with air attacks and mine warfare on the blockading ships. Furthermore, the inclusion of Hong Kong and Macao in the blockade might well influence a Chinese decision to move against them, ^{these points,} since their ~~present~~ usefulness to China in their present status would be all but eliminated.

7. The Soviet reaction to an embargo on exports and shipping would be to increase Soviet-bloc exports to Communist China. In the event of a naval blockade, the Soviets would probably respect the blockade at least of all ports except Port Arthur and Dairen. If Port Arthur and Dairen were blockaded, the USSR would at least make representations before competent international bodies, and might well attempt to run the blockade.

II. A MORE VIGOROUS US WAR EFFORT IN KOREA USING ALL AVAILABLE WEAPONS AND A CONCURRENT EXTENSION OF US AIR ATTACKS TO MILITARY TARGETS IN MANCHURIA

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A. Effects of This Course of Action

8. The Chinese Communist potential for military operations in Korea would be seriously impaired by a major UN offensive in Korea together

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with successful air attacks, particularly atomic air attacks on the following targets in North Korea and Manchuria: (a) major military installations, particularly airfields and storage depots; (b) lines of communication, including railroad yards, bridges, and choke points and trucks and truck routes, and (c) large troop concentrations in restricted areas.

9. Successful attacks on the targets listed above in conjunction with a major UN ground offensive in Korea would have the following effects on the Chinese Communist military potential: (a) considerably reduce the capabilities of the Chinese Communist Air Force, perhaps to the extent of eliminating the present offensive threat to US ground forces; (b) seriously disrupt the flow of military traffic now supporting Communist operations in Korea; (c) increase the vulnerability of military installations, lines of communication, and troop concentrations in North Korea to US air operations; (d) increase the vulnerability of North Korea and Manchuria to guerrilla and commando operations; (e) impair the replacement system of the Chinese Communists; (f) reduce the production of munitions in Manchuria, thus increasing Chinese Communist reliance on the USSR for all types of military supplies and equipment, and (g) divert an increased number of Chinese Communist Forces to Manchuria and Korea, thus creating greater opportunity for Nationalist raids and guerrilla operations in China proper.

B. Communist Reactions

10. If the US should press the war more vigorously in Korea, using all available weapons, and carry out air attacks on Manchuria, the Communists would probably estimate that the military loss of all Korea was a

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serious possibility. Under these circumstances, the Communists might feel compelled to conclude an early armistice.

11. It is more likely, however, that the initial Chinese Communist reaction would probably be to: (a) request increased Soviet aid; (b) attempt to conduct air operations with aircraft manned by Chinese Communist crews against UN ships, ports, lines of communication, and other military targets in South Korea and possibly Japan and Okinawa; (c) attempt to sustain their operations capabilities in Korea by greater dispersion of troops, with less reliance on vulnerable heavy equipment and vehicular transport, and (d) intensify propaganda efforts to rally popular domestic support against the "aggressor" and to divide the US from its allies.

12. The Soviet Union would probably react immediately by strengthening Communist air defenses with the object of gaining air supremacy in Manchuria and North Korea. It would also attempt to step up its logistic support to the Communist ground forces. The Communists might be willing to accept a costly prolonged war while continuing efforts to develop a modern Chinese Communist ground and air force behind the screen of Soviet air defenses.

13. However, if these measures should prove insufficient to insure the continuance of Communist military operations in Korea, the Communists would have three possible courses of action. They could (a) withdraw from Korea and continue by guerrilla and air attacks to harass the UN

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occupation; (b) agree to an armistice while still in control of some portion of North Korea, and (c) commit Soviet forces to the extent necessary to hold a line in North Korea. Under these circumstances, we believe the chances are somewhat better than even that the Communists would seek an armistice. *(ie. (b)) what clause of c - 30% or 10%?*

III. STRATEGIC BOMBARDMENT OF COMMUNIST CHINA

A. Effects of This Course of Action

14. The Chinese Communist Air Force would be the most important target in a strategic bombardment of Communist China. Successful attacks against the airfields on which this force is deployed could be expected to produce the following results: (a) the reduction of CCAF offensive capabilities and elimination of the immediate threat of a major CCAF counter-air offensive against US ground, naval, and air forces; (b) the destruction of air base facilities and installations; (c) high casualties among trained aviation personnel; (d) the reduction of CCAF air defensive capabilities, and (e) the placing of heavy logistical demands on the Soviets for replacement of aircraft and related equipment and possibly for trained personnel.

15. Chinese Communist naval bases and shipyards are high priority targets because their neutralization would eliminate their use by the Soviets for supporting naval operations against UN forces.

16. Troop concentrations, some of which may contain 25,000 to 200,000 Chinese Communist troops, may normally be found in Communist China. These are vulnerable to atomic bombing attacks, particularly

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surprise attacks. Successful attacks on these troop concentrations would seriously weaken the Chinese Communist Field Forces.

17. Chinese Communist transportation, particularly its inadequate railroad transportation system, is particularly vulnerable to systematic air attacks. Successful attacks on the transportation system could divide China into several areas which could be separately subjected to air interdiction, thus preventing mutual military and economic support. The Manchurian rail network, upon which the Chinese Communists must depend for such critical imports from the USSR as petroleum, tanks, motor vehicles, heavy weapons, munitions, aircraft parts, and possibly aircraft is singularly vulnerable. If traffic on this rail network was interdicted on a continuing basis, the capability of the Communists for continuing the war in Korea would be seriously impaired.

18. Industrial facilities in Communist China would make profitable targets for a strategic bombing effort. Destruction of POL storage facilities and refineries would result in shortages of aviation fuels and fuels for surface transportation. Since the electric power industry serves virtually all the significant manufacturing plants in China, plays a major part in powering equipment for the extraction of coal from China's mines, and performs other important military functions such as lighting transshipment centers along the transportation systems, its destruction would have a significant deleterious effect on Communist war-making potential. The Chinese Communist munitions, iron, and steel industries would make profitable targets because their destruction would increase the strain on the tenuous supply lines leading to the USSR from Communist China.

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19. There are 16 urban complexes in Communist China which together have a population of over 17,000,000 and contain the major part of all modern Chinese Communist manufacturing installations. Their destruction would virtually eliminate Communist Chinese manufacturing plants and would halt, at least temporarily, rail transportation on all major rail routes. From a long range point of view the destruction of these 16 complexes would involve the loss of technical and managerial personnel who could not be easily or quickly replaced. Heavy losses probably would also be caused to governmental and military personnel.

20. In summary, successful air attacks on these targets would seriously reduce Chinese Communist military power, create chaos in the Chinese Communist economy, and strain seriously the Chinese Communist capability for administrative control of the country.

B. Communist Reactions

21. If this strategic bombardment of Communist China was launched, the Chinese Communists would immediately bring to bear their maximum air defense capability and would attempt to attack US bases of operation. (See TAB "B" for a detailed estimate of Chinese Communist air defense capabilities.) In addition, they would seek increased Soviet assistance. Soviet air units, probably represented as Chinese and/or volunteer forces, would be committed in defensive roles without delay. Soviet submarines would seek to interdict US naval units. If Communist control of North China and Manchuria were endangered, the Soviet Union would probably expand its aid, and USSR forces might be employed to such extent that a de facto US-USSR war would exist.

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22. If Communist control in any area should break down, latent anti-Communist sentiment in that area would probably coalesce around guerrilla forces or other leaders who might come to the fore. However, it is unlikely that such a movement would gain momentum until a major invasion of the China mainland by anti-Communist forces was effected. If Peiping lost contact with their forces in south China, these forces might be evacuated in order to establish a hard core in the North.

23. Popular reaction to US bombing operations would depend on the nature of the operations and on a number of other variables, such as dislike for the Communist regime and the residue of good-will toward the US. When Nationalist air attacks were carried out on Shanghai in February, 1950, no hostility toward either the Nationalists or the US was observed and many Chinese actually cheered the attacking planes. If the US bombardment was confined to military and strategic targets, civilian casualties probably would not appear too extreme, and, if the operation gave promise of establishing a popularly acceptable government, genuine anti-US sentiment probably would not be stimulated.

IV. NATIONALIST ATTACKS ON COMMUNIST CHINA

A. Effect of this Course of Action

24. The Nationalists will not be able to carry out attacks, other than sporadic commando raids, on Communist China until the effectiveness of their Armed Forces is substantially improved. (See TAB "C")

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for a detailed estimate of the capabilities of the Nationalist Armed Forces). The Nationalist Ground Forces may become combat effective after receipt of presently proposed US materiel aid and after training in its use. However, under the present US aid program, the effectiveness of the Nationalist Air Force and Navy will not be improved.

25. After the Nationalist Ground Forces become effective (possibly during 1953 under the present US aid program), the Nationalists might be able to establish a bridgehead on the China coast, provided that the US furnished substantial air and naval support in addition to logistic support for the Nationalist invasion forces. If the US program for the Chinese Nationalists were greatly expanded so as to improve Nationalists military leadership and provide the materiel and training needed for existing ground, naval, and air forces plus such additional manpower as could be recruited on Taiwan, the Nationalists might be able to establish a bridgehead on the China coast without further US participation. However, we do not believe that such a bridgehead could be consolidated and expanded, unless the US provided tactical air support in addition to continuing logistic support for the Nationalist forces. Even under these circumstances, it is doubtful if the Nationalists could recruit sufficient additional manpower on the mainland to enable them to break out of a lodgement and actually threaten Communist control over large areas of the mainland. With appreciation of current Chinese Communist capabilities, the Nationalists could accomplish this result only in conjunction with a major US war effort, including at least a US strategic bombing campaign and probably the support of US ground forces.

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B. Communist Reactions

26. A Nationalist invasion of the mainland, supported operationally by US naval and air forces, would probably be construed by Peiping and the Kremlin as an indication of US determination to destroy the Chinese Communist regime. The Chinese Communists would probably immediately invoke the Sino-Soviet Pact, pressing the USSR to enter the Far Eastern conflict on a war basis. If the Communists failed to contain the initial beachhead, they would withdraw inland in order to concentrate their strength and to lengthen the invaders lines of communication.

27. Moscow would almost certainly regard a strong US supported Nationalist invasion as a serious threat to its objectives in the Far East. Consequently, when it became evident to the Kremlin that Communist control of north China and Manchuria appeared seriously threatened, the USSR probably would do whatever was required to uphold the regime, regardless of the risk involved and including, as a last resort, the open commitment of Soviet forces against US forces. However, so long as Chinese countermeasures were successful, Moscow would probably prefer to maintain the fiction of non-intervention.

28. It is likely that a successful invasion, in which the US was an integral, active element, would attract an increasingly large segment of mainland discontents. However, it does not appear that at the present time there would be a significant number of defections from the Chinese Communist military forces, unless key Communist military leaders surrendered large bodies of troops. There is no intelligence

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to indicate that any key military leaders are so disaffected that they would take this drastic action.

V. SUPPORT OF GUERRILLAS OPERATIONS AGAINST COMMUNIST CHINA

A. The Effect of This Course of Action

29. Present anti-Communist guerrilla operational capability is insignificant. (See Tab "D" for an estimate of guerrilla capabilities.) However, if the guerrillas were organized, equipped, and coordinated, they could make a significant contribution to the success of an anti-Communist invasion of the mainland. Except in coordination with this effort, however, it is not expected that the guerrillas will develop the capability, even with substantial US support, to do more than hinder Communist control in some areas of China and divert a significant portion of the Communist Armed Forces to anti-guerrilla operations.

B. Communist Reactions

30. The Chinese Communists have the capability of executing effective repressive countermeasures against guerrillas. At present the guerrilla situation is under such effective control that the Communists, except in a few isolated areas, have replaced regular troops by local militia for the conduct of anti-guerrilla operations. Should the militia be incapable of coping with the situation in any area, regular forces could be committed in adequate numbers. It is likely that the Chinese Communists will continue to have the capability to control the guerrilla situation except under the circumstance of a successful anti-Communist invasion.

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VI. THE CONSEQUENCES OF COMBINED COURSE OF ACTION

A. The Effects of Combined Courses of Action

31. If the Korean war should continue, the Chinese Communist regime would probably be confronted with increasing domestic problems such as inflation and popular disaffection, and possibly dissidence among Chinese Communist leaders. All of these factors might seriously impair Chinese Communist capability to counter any or a combination of the measures discussed above.

32. The Chinese Communists would probably be most vulnerable to an intensification of the Korean war together with air attacks against Manchuria and China proper and a cessation of seaborne imports. This combination of actions would have the following effects: (a) severely disrupt lines of communication throughout China; (b) severely strain the Chinese Communists' ability to continue the war in Korea; (c) force the Chinese Communists into complete dependence on the USSR for military supplies and critical imports; (d) virtually eliminate Chinese Communist capabilities for military operations in Southeast Asia, and (e) progressively reduce the ability of the Chinese Communist regime to maintain effective control at a local level.

33. If the Chinese Nationalist Forces and anti-Communist guerrillas should realize their potential capabilities, and if in combination with the courses of action discussed above, they should be used against the mainland with US operational support, a critical threat to the stability of the Communist regime would develop.

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B. Communist Reactions

34. Communist reaction to any combination of these courses of action would be determined by the degree of threat presented. So long as Chinese Communist military resources are considered sufficient to neutralize or contain the anti-Communist threat, it is likely that, in order to localize the conflict and to reduce the risk of global war, Soviet aid to Peiping would be limited to materiel and covert air and possibly submarine assistance (increased in proportion necessary to counter the US/Nationalist measures taken). Only in the event that Moscow believed that Soviet security interests in the Far East were threatened would the USSR be likely to take drastic measures; in that event the USSR probably would do whatever was required to uphold Communist control of northern Korea and of Manchuria and North China, regardless of the risk involved and including, as a last resort, the open commitment of Soviet forces against US forces.

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TAB A

ANALYSIS OF CHINESE COMMUNIST TRADE

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TAB B

COMMUNIST CHINA'S AIR DEFENSE CAPABILITIES

1. Present Chinese Communist air defense capabilities are due directly to Soviet active participation in supplying equipment, operational procedures, training, and, in many cases, Soviet personnel. In assessing such capabilities, the following factors are pertinent:

(a) Fighter Aircraft. Approximately 525 first-line jet fighters of the MIG-15 type are located in the Mukden-Antung area of southern Manchuria. Some 225 jet fighters are located in the following four strategic areas in China proper: Peiping-Tientsin, Tsingtao, Shanghai, and Canton.

(b) Early Warning. A radar defense system has been installed and set in operation, with the assistance of Soviet radar engineers, technicians, and advisers, which is believed to give practically continuous early-warning coverage from the Manchuria border south to Canton. A visual system supplements the electronic early-warning system.

(c) Antiaircraft. In China-Manchuria there is believed to be over 500 antiaircraft artillery pieces and an equal number of anti-aircraft automatic weapons. Most pieces are 85 mm., 37 mm., and 12.7 mm. of Soviet manufacture. Reports continue to indicate that

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the total AAA strength is being increased by shipments of Soviet equipment. Heaviest concentrations are located in the Mukden area, Shanghai, and in the vicinity of Canton. AAA defenses appear to be employed for the protection of the industrial area, harbor facilities, airfields, and major junctions in the communications and supply systems. Gun-laying radar has been reported in some areas.

(d) Aircraft Control. The Chinese Communists possibly have a capability for limited ground-controlled interception.

(e) Soviet Influence. The air defense organization of the Chinese Communists appears to be patterned after that of the Soviets. The over-all air defense capabilities of this defense organization with respect to fighter defense, antiaircraft defense, early warning, aircraft control, and passive defense measures probably will continue to increase as long as the Soviets continue to assist Communist China.

2. The air defense capabilities of the Chinese Communists are estimated to be as follows:

(a) In the Mukden-Antung area of southern Manchuria, the Chinese Communists possess a major air defense capability against daylight bombing missions. At night their air defense capabilities would be considerably less because of their limited ground-controlled interception ability. (See 1a above.)

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(b) Chinese Communist air defense capabilities for China proper are considerably less due to a greater area and fewer available aircraft. In areas where distance prevents likely immediate jet air reinforcements, i.e., Shanghai and Canton, the defense capability of the small jet strengths presently allocated to those areas is considered negligible as against a major air offensive in daylight attacks or night missions. In the Peiping-Tientsin and Tsingtao areas, which are considered mutually supporting, a substantial jet strength of some 150 MIG-15's presents a very formidable defensive capability if sufficient early warning was given to enable this strength to be used as a single force. The geographic position of Tsingtao creates a greater vulnerability to air attack than does that of Peiping-Tientsin. Against a major air attack, however, the defense capability of some 75 MIG-15's located at Tsingtao is considered at least fair. Due to Tsingtao's protective position, however, the defense capability of Peiping-Tientsin against a major air attack is considered to be good to excellent. The defense capability of those areas is considered negligible against night attacks of major size. It is believed that a major air offensive would encounter flak of limited effectiveness over targets in China proper such as industrial areas, harbor facilities, airfields, and major junctions in the communications and supply systems.

(c) Air defense capabilities of the Chinese Communists, especially in southern Manchuria, are such that considerable losses

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of US aircraft could be expected, at least initially, during a campaign of systematic air attacks. Under conditions of prolonged air attack, the ability of the Chinese Communists to maintain effectiveness would be in direct proportion to the amount of support which the Soviets would continue to render.

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TAB C

CHINESE NATIONALIST ARMED FORCES

1. The Chinese Nationalist Army has a strength of 451,000 personnel organized into 38 infantry divisions, 4 armored groups, 1 paratroop group, 3 fort commands, 5 independent regiments, and 2 independent battalions. The bulk of these forces is disposed on Formosa; some combat elements are located on Matsu, Quemoy, and the Pescadores Islands. The Nationalist Army has no significant number of trained reserves, and under present circumstances its mobilization capacity is negligible. The mass induction of Formosan youths would not be feasible unless the US greatly expanded its proposed MDAP. Even in this event, the dependability and effectiveness of Formosan troops would be questionable. At the present time, the Nationalist Army is short of some types of ammunition, arms, and other equipment, and the materiel that is available is heterogeneous and poorly maintained. Because of these materiel deficiencies, the lack of reserve manpower, and the poor command structure (including the lack of interservice coordination), the combat effectiveness of the Nationalist Army is poor. After receipt of the proposed US materiel aid and after training in its use, its effectiveness will be substantially improved.

2. The Chinese Nationalist Air Force consists of 8 combat groups possessing 384 tactical aircraft. Of this total, however, only 121 aircraft are serviceable for combat. These consist of 35 light bombers and

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86 piston fighters predominantly of World War II design. Because of the lack of spare parts and improper maintenance facilities, the combat effectiveness of this force is very poor. Under conditions of sustained combat, particularly if opposed by jet aircraft, its capabilities would be reduced to a negligible factor in a day or two. In spite of these difficulties, the Chinese Nationalist Air Force is believed to have the organizational structure and necessary personnel to absorb and utilize the additional equipment necessary to make it an effective force. However, the present US aid program is not expected to improve the Nationalist Air Force or even maintain its present capabilities.

3. The Chinese Nationalist Navy consists of approximately 150 miscellaneous craft, the largest of which are 7 destroyer-type vessels. Under optimum conditions and provided that there were no air or naval opposition, the Nationalists would be capable of transporting up to two divisions in assault by means of orthodox landing craft and following up with five or six water-lifted divisions. No amount of logistic support could immediately effect a great increase in the effectiveness of the Nationalist Navy. Training in large-scale operations, command reorganization, the removal of political intrigues, and other slowly achieved changes are prerequisites to any major improvement.

4. It is evident that the capabilities of the Chinese Nationalist Armed Forces are extremely limited. It is estimated that the Chinese Nationalists are at present incapable, by themselves, of defending

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Taiwan against an all-out assault by the Chinese Communist Forces. On the offensive side, the Chinese Nationalists could not at present establish a lodgment on the mainland without the full participation of US forces, including US ground forces. After receipt of proposed US materiel aid and after training in its use, the Nationalist Army could provide 10 infantry divisions for an assault on the mainland if the US continued logistic support to the invasion force. However, since the presently proposed aid will not improve Nationalist air and naval capabilities, an attempted assault on the mainland still would have no hope of success unless the US provided powerful air and sea operational support.

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TAB D

ESTIMATE OF THE PRESENT STRENGTH AND
CAPABILITIES OF ANTI-COMMUNIST GUER-
RILLAS IN CHINA

A. THEIR STRENGTH AND LOCATION

1. The maximum total number of effective guerrillas throughout all China which can with any certainty be said to exist at the present time is approximately 175,000. Dormant or potential guerrillas exist in unknown numbers, but the utility of this category is and probably will remain small pending all-out war or revolution in China.

2. Active guerrilla forces are located for the most part in inaccessible areas -- mountainous regions and on Nationalist-held offshore islands. Principal regions of activity continue to be the Pearl River and Canton area, the Kwangtung-Fukien border, the Kwangsi-Kweichow border, Szechwan, the Chekiang coast, southwestern Yunnan, and scattered areas in the Mongol and Moslem northwest.

B. THEIR PHYSICAL COMPOSITION AND CONDITION

3. The term "guerrillas" is an elastic one since these resistance forces are heterogeneous in nature and vary greatly in composition from one unit to another. Generally speaking, guerrillas fall into the following categories: (a) ex-Nationalist forces, some of whom profess allegiance, but most of whom owe no allegiance, to Taiwan; (b) discontented

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landlords and peasants; (c) bandits; (d) members of traditional secret societies, and (e) minority racial and religious groups. The most active and effective units are those in categories (a) and (e).

4. Guerrilla forces suffer from a total lack of central direction and coordination, from a relative lack of organization, quite often from lack of knowledge of proper guerrilla warfare tactics, from serious deficiencies in arms and ammunition, and, perhaps most importantly, from an almost total lack of communication facilities. In addition, guerrilla forces subsist on submarginal food, clothing, and medical levels.

C. THEIR MOTIVATION AND ALLEGIANCE

5. Economic considerations generally outweigh political, and the basic motivating force behind guerrilla activity at the present time is the struggle for existence and self-preservation.

6. Despite Nationalist and independent claims, the Chinese guerrillas are and will be allegiant for the most part to whatever leader and whatever political group can support and maintain them.

7. Such organization and centralized direction as does exist is primarily that now being exercised by Taiwan. The Chinese Nationalist guerrilla effort, however, remains largely ineffectual because of the hindrances of internal Chinese Nationalist politics.

8. Independent elements continue to claim a substantial guerrilla potential in Kwangsi and Kwangtung. It is believed that the claims of

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one of these elements to sizeable guerrilla assets in being are valid, but this group does not have the resources to maintain its assets without outside support.

D. THEIR CONTINUING DECLINE IN STRENGTH AND EFFECTIVENESS

9. Chinese Communist countermeasures against dissident elements have been most successful; and, with the further consolidation of control by Peiping and the forming by Peiping of an effective anti-guerrilla militia throughout China, guerrilla strength and activity under present circumstances will probably continue to decline.

10. The perhaps surprisingly low figure of only 175,000 guerrillas should not be ascribed wholly to the successes of the Chinese Communist anti-guerrilla program because this figure is the result also of a greatly increased and far more accurate US intelligence product concerning anti-Communist resistance in China.

E. THEIR PRESENT CAPABILITIES

11. It is unlikely that at the present time the guerrillas can accomplish any of the following to any significant degree:

(a) Delay or disrupt the movement from one front to another of the Chinese Communist armies;

(b) Seriously interdict Chinese Communist lines of communications or logistic support;

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(c) Attract to their ranks any substantial numbers of defectors from the Communists;

(d) Significantly abet military operations should a Nationalist invasion be launched in the near future.

12. Anti-Communist guerrillas may be judged to have at the present time the following capabilities:

(a) Sporadic raids;

(b) Occasional sabotage operations;

(c) Raids, feints, and diversions against the mainland from the Nationalist-held offshore islands;

(d) Intelligence source concerning Communist China, and

(e) Potential basis for possible resistance movement in China.

13. Any hope of increasing present guerrilla capabilities is contingent upon a program of sizeable outside support and upon a revitalization of the Chinese Nationalists.

14. In summary, the present outlook for the guerrillas is dim. They nevertheless represent an asset with considerable potential provided they can be properly equipped, organized, and directed. If so supported from outside, anti-Communist guerrillas can form the nucleus of a possible future resistance movement in China.

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